

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



BOARD OF SUPERVISORS

GLORIA MOLINA
MARK RIDLEY-THOMAS
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

April 5, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#16 APRIL 5, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**REQUEST FOR APPROVAL TO EXECUTE A SOLE SOURCE AGREEMENT
WITH VERIZON BUSINESS FOR THE
ACCESS CALL CENTER TRANSFORMATION PROJECT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

Request approval to procure telephone and call center systems services from Verizon Business for the Department of Mental Health's Access to Community Care and Effective Services and Support Call Center.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of Mental Health, or his designee, to execute a sole source agreement identified as an "Authorization to Order Under State Contract" (ATO), substantially similar to Attachment I, with Verizon Business (Verizon) under the State of California's (State) California Integrated Information Network (CALNET II) Master Service Agreement 3 (MSA 3), to procure telephone and call center systems services to replace the existing obsolete telephone and call center systems for the Department of Mental Health's (DMH) Access to Community Care and Effective Services and Support Call Center (ACCESS), in an amount not to exceed \$1,365,000 over five years for Fiscal Years (FY) 2010-11 through 2014-15, effective upon Board approval.

"To Enrich Lives Through Effective And Caring Service"

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to authorize DMH to procure telephone and call center systems services to replace the existing obsolete telephone and call center systems for DMH's ACCESS, from Verizon, through the State's CALNET II MSA 3. ACCESS is a communications system that acts as a gateway to mental health services in the County of Los Angeles. It provides a 24/7 toll free number for mental health emergency assistance and for obtaining information about available mental health services and resources. The existing telephone and call center systems have been relatively stable but deficient over the past several years. Recently the existing telephone and call center systems have failed to meet ACCESS needs with a series of downtime events that have made the procurement of a new and more reliable system urgent.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal 4, Health and Mental Health.

FISCAL IMPACT/FINANCING

The estimated cost of the five-year project for FYs 2010-11 through 2014-15 is not to exceed \$1,365,000, fully funded by Mental Health Services Act (MHSA) revenue. The total includes \$165,000 for one-time set-up charges and \$20,000 per month for continuing maintenance charges. The agreement is expected to result in estimated savings of approximately \$365,000 over the five-year period. Any necessary third party hardware or software will be procured through the Internal Services Department (ISD) via a Purchase Order. Sufficient appropriation is included in DMH's FY 2010-11 Final Budget for this project, and funding for future years will be requested in DMH's annual budget. There is no increase in net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The current telephone and call center systems were implemented over ten years ago. It provides a 24/7 toll free number for mental health emergency assistance and for obtaining information about available mental health services and resources. In the past, your Board has expressed concerns about dropped calls at ACCESS, and on November 20, 2007, your Board approved MHSA funding for the ACCESS Call Center Transformation Project (ACCTP) in order to specify, acquire, and implement new telephone and call center systems for ACCESS.

Goals for the ACCTP include improved response time to telephone calls, ability to capture calls, requests for services, and dispatch of mobile teams; capacity to record and audit calls to ensure quality customer service; capacity to track clients navigating the mental health system of care;

up-to-date resource information through electronic data base applications; 24/7 availability to MHSA Full Service Partnership programs; improved management of Field Response Operations (FRO); and enhanced utilization management of institutional and residential resources available under Countywide Resource Management.

DMH will replace the current failing telephone and call center systems with a highly reliable system that can be implemented in less than a year at savings of approximately \$365,000 over five years compared to a County owned and operated system. CALNET II allows State and non-State agencies to take advantage of the favorable pricing negotiated by the State with Verizon. Verizon has provided their fully hosted call center system to government agencies throughout the State for more than two years. It is a proven and highly regarded combined telephone and call center system.

Under the terms of CALNET II, Verizon is required to take responsibility for all aspects of the call center systems. Verizon's multiple data backup centers across the country and its hosted solution will prove a reliable system.

The term of the service agreement in the ATO is a two-year commitment from the effective date of the ATO provided that such commitment does not extend beyond the term of the CALNET II MSA 3, including any extension periods. In the interim of the two-year commitment period, County may cancel services with a 30-calendar-day written advance notice should ISD-Information Technology Services (ISD-ITS) provide a fully hosted solution that would meet the business requirements of ACCESS. The current CALNET II agreement is slated to expire on January 31, 2014. Upon execution of the ATO, County can order the selected products and services from the CALNET II MSA 3.

Verizon has provided DMH a written notice waiving the exclusivity clause, allowing the 30 day written notification to terminate without penalty. (Attachment II)

The attached ATO has been approved as to form by County Counsel. The Chief Executive Office (CEO) and Chief Information Office (CIO) have reviewed and recommend approval of this request. (CIO Analysis attached)

CONTRACTING PROCESS

The State Department of Technology Services, Statewide Telecommunications and Network Division contracted with SBC Global Services, Inc. and MCI Inc., to provide a comprehensive array of telecommunications services to public entities throughout the State. In a competitive bid, this seven-year master telecommunications contract, known as the "California Integrated Telecommunications Network, CALNET Master Agreement CNT-001 (CALNET I)," was awarded in December 1998.

On January 30, 2007, CALNET II was awarded to AT&T and Verizon Business to replace CALNET I. CALNET II is comprised of four MSAs: MSA1 (Voice, Data and Video Services) and MSA 2 (Long Distance & Network Based Services) were awarded to AT&T, MSA 3 (Internet Protocol [IP] Voice, Data and Video Services) and MSA 4 (Broadband Fixed Wireless Access, Data Services) were awarded to Verizon Business. Each MSA has a term of five years with two one-year extension options and includes a provision for participants to opt out of the agreement after two years.

CALNET II MSA 3 affords vendors a larger potential customer base than any qualified government purchaser would have alone, and is able to offer state-of-the-art services and equipment at lower rates based on the collective purchasing power of the entire state public sector.

DMH engaged a highly qualified consultant, through the County's Information Technology Support Services Master Agreement (ITSSMA), with expertise in human services call center processes and technology to analyze the goals of the ACCTP and the needs of ACCESS to make recommendations to transform ACCESS into a responsive and reliable call center that meets the needs of DMH and the residents of the County. The independent consultant conducted a comparative analysis of five options for replacing the existing systems. The consultant's comparative analysis and recommendations were extensively reviewed with ISD information systems staff and the CIO. ISD has worked collaboratively with DMH throughout the process of identifying the technical and business requirements necessary to replace the ACCESS systems and evaluating our options. After a very careful evaluation process, including considerable engagement with ISD-ITS, the consultant recommended that, given the exceptional criticality of the services provided by ACCESS, DMH procure a single-vendor combined telephone and call center systems offered by Verizon and available under CALNET II MSA 3. DMH agrees with the consultant's criticality assessment and recommendation, and, therefore, requests delegated authority to enter into a sole source agreement with Verizon Business.

DMH notified your Board on November 1, 2010, of its intent to enter into a sole source agreement with Verizon.

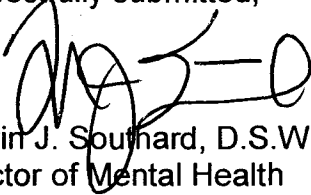
Attached is the required Sole Source Contract Checklist (Attachment III), identifying the need for the agreement with Verizon. The Sole Source Contract Checklist has been approved by the CEO.

This purchase requires a waiver from the CIO for a portion of the County's standard of Cisco Systems (Cisco) Voice-over-Internet-Protocol (VoIP) telephone system and Cisco call center software, both hosted by the ISD-ITS. The signed waiver request is attached (Attachment IV).

IMPACT ON CURRENT SERVICES

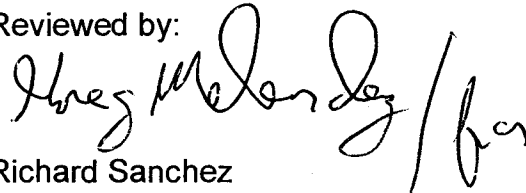
ACCESS is central to DMH's success under MSHA as it serves as a key gateway to services available throughout the County in addition to its role in providing emergency services. Verizon offers a service level agreement and indicates a willingness to commit to the County's high standard of requirements. This new system will be a quantum level improvement over current operations.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

Reviewed by:



Richard Sanchez
Chief Information Officer

MJS:MM:RK:RG

Attachments (4)

c: Chief Executive Officer
County Counsel
Chief Information Officer
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

CIO ANALYSIS

SOLE SOURCE AGREEMENT WITH VERIZON BUSINESS TO ACQUIRE TELEPHONE AND CALL CENTER SYSTEMS/SERVICES FOR MENTAL HEALTH'S ACCESS TO COMMUNITY CARE AND EFFECTIVE SERVICES AND SUPPORT CALL CENTER

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☒ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 2 Years # of Option Years: Negotiable

Contract Components:

☒ Software ☒ Hardware ☒ Telecommunications
☒ Professional Services

Project Executive Sponsor: Marvin J. Southard, D.S.W

Budget Information :

Y-T-D Contract Expenditures	\$0
Requested Contract Amount	\$1,365,000
Aggregate Contract Amount	\$1,365,000

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 100% funded by MHSA revenue.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions document?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles

		IT standards? <i>While the recommended solution complies with the County's Voice over Internet Protocol standard for new telephone systems, it does not comply with the County's standard of Cisco Systems. In July 2010, the Department requested and received a waiver from the CIO for that portion of the County's standard for telecommunications.</i>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Department of Mental Health (DMH) is requesting delegated authority from the Board to execute a sole source agreement with Verizon Business (Verizon) to procure telephone and call center systems for the Access to Community Care and Effective Services and Support (ACCESS) Call Center. The agreement is identified as an "Authorization to Order Under State Contract" and is covered under the State of California's Integrated Information Network (CALNET II) Master Service Agreement 3. It will be for a two-year term with maximum contract sum of \$645,000. DMH is requesting authorization to spend an additional \$720,000, for a total of \$1,365,000, for three additional years should CALNET II be extended.

Background:

ACCESS is a gateway to mental health services in the County. It provides a 24/7 toll free number for mental health emergency assistance and for obtaining information about available mental health services and resources. The current Nortel telephone and call center systems, which were implemented more than ten (10) years ago, have served their purpose, but are now obsolete and no longer meet the needs of the Department. The systems are experiencing technical problems, including dropped calls, which are not acceptable in this mission critical part of the business.

Because of these problems, DMH used MHSA funds to engage a consultant with expertise in telephone and call center systems to analyze the goals of the Department and make recommendations regarding the most appropriate solution for the ACCESS Call Center. After evaluating various options for replacing the existing systems, and working closely with ISD/ITS and the CIO, the consultant recommended the single-vendor combined telephone and call center systems offered by Verizon under the CALNET II agreement.

Upon receiving the recommendation, the Department requested and received a waiver from the CIO for a portion of the County's standard of Cisco Systems Voice over Internet Protocol (VoIP) telephone and call center software. Then, the Department completed the required Sole Source Contract Checklist and received approval from the CEO's office. Once the Waiver and the Sole Source Checklist were approved, the Department informed the Board of its intent to enter into sole source negotiations with Verizon.

Project Justification/Benefits:

Aside from the obvious benefit of replacing a 10-year-old obsolete system that is having technical problems with a new hosted state-of-the-art call center system, the following are some of the key points of justification for selecting the Verizon solution:

- The Verizon hosted call center solution is widely considered the most comprehensive solution by industry experts and is in the leader quadrant in the most recent Gartner Group Call Center Infrastructure Magic Quadrant.
- Of the options examined by the consultant, only the CALNET II/Verizon option eliminates the need to purchase a VoIP telephone system that is installed and maintained at the customer premise. This eliminates the need for County provided hardware and software support.
- Verizon's single-vendor solution has the fastest implementation timeframe (approximately four months).
- Verizon's solution was the only single-vendor offering, which allows the Department to interact only with one source to resolve technical problems. This can eliminate confusion and finger pointing.
- The hosted Verizon solution provides very high reliability and excellent business continuity/disaster recovery capabilities because they have data centers located across the United States.
- CALNET II offers the most cost-effective, fixed-price solution currently available to the Department.

Project Metrics:

Deliverable 1 of the Statement of Work (SOW) is a comprehensive project plan, which will be developed by the contractor, and used by the County to measure progress. As defined in the SOW, the project is deliverables based and no payments will be made until each deliverable is received, tested approved, and accepted by the County. After implementation, call handling reports and system uptime statistics will be used to measure the effectiveness of the solution. Verizon also provides Service Level Agreements that will be used to monitor system availability.

Impact on Service Delivery or Department Operations, if Proposal is Not Approved:

If the proposal is not approved, the Department would continue to operate the ACCESS Call Center with obsolete telecommunications systems that no longer meet the business needs.

Alternatives Considered:

The consultant that was contracted by the Department evaluated five separate solutions, including the ISD/Cisco solution.

Project Risks:

As with any system replacement project, there is a risk that the new system will not deliver the expected functionality.

Another project risk identified by the County's Chief Information Security Officer has to do with the security and privacy of County call data, which will be recorded/stored at the vendor's location. This data may contain Electronic Personal Health Information (EPHI), which is subject to HIPAA/HITECH Act regulations.

Risk Mitigation Measures:

Proper planning and careful implementation activities will be established to minimize risk. In order to ensure the continuity of business at the ACCESS Call Center through implementation, the existing call center system will remain in place for a reasonable period of time after the go-live date. This creates a temporary exit strategy in case of technical issues with the new system.

To ensure compliance with HIPAA/HITECH, the Department will have Verizon sign a Business Associate Agreement as part of the executed agreement with the County.

Financial Analysis:

The estimated cost of the five-year project for FY 2010 through FY 2014-15 is not to exceed \$1,365,000, fully funded by MHSA revenue. The agreement is expected to generate a five-year cost avoidance of approximately \$365,000 when compared to a new County hosted solution. Funding for this project is included in the Department's FY 2010-11 Final Budget, and funding for future years will be requested in the Department's annual budget.

CIO Concerns:

None.

CIO Recommendations:

Based on our review of the Board Letter, and discussions with the Department, ISD, and the consultant, this Office recommends approval by the Board.

CIO APPROVAL

Date Received: March 16, 2011

Prepared by: Henry Balta

Date: March 23, 2011

Approved: 

Date: 3/24/2011

EXHIBIT A-2

AUTHORIZATION TO ORDER UNDER STATE CONTRACT

_____ ("Contractor") and the State of California ("State") have entered into a Contract for California Integrated Information Network (CALNET) II ("CALNET II") Module 3 Services dated _____ ("Contract"), for a term of five years. The State may, at its sole option, elect to extend the Contract term for up to two (2) additional periods of one (1) year each. Pursuant to the Contract, which is incorporated herein by reference, any public agency as defined in Government Code Section 11541 is allowed to order services and products solely as set forth in the Contract ("Service(s)").

A non-State public Agency (herein "Non-State Agency") shall also be required to complete and submit this Authorization to Order Under State Contract (ATO) prior to ordering Services. A description of the Service(s), applicable rates and charges and the specific terms and conditions under which the Service(s) will be provided to a Non-State Agency are fully set forth in the Contract. Access to the Contract is available at www.stnd.dts.ca.gov.

_____ ("Non-State Agency") desires to order Service(s) and Contractor agrees to provide such Service(s) as identified in the State of California, Telecommunications Service Request (STD. 20), pursuant to the terms and conditions and rate tables contained in the Contract.

1. This ATO shall become effective upon execution by Non-State Agency, Contractor, and the Department of Technology Services, Statewide Telecommunications and Network Division (DTS/STND) ("Effective Date"). No Service(s) shall be ordered by Non-State Agency or provided by Contractor until this ATO has been executed by both parties and approved by DTS/STND.
2. With respect to Services ordered under this ATO, Non-State Agency hereby agrees to obtain such Services exclusively through the Contract and this ATO for a two (2) year commitment period starting from the Effective Date of the ATO, provided that such commitment does not extend beyond the Term of the Contract, including any extension periods. Any Services ordered subsequent to the end of the two (2) year commitment period shall not extend the two (2) year commitment period.
3. Upon expiration of the two (2) year commitment period, this ATO shall continue in effect through the remainder of the Term of the Contract, unless earlier terminated by Non-State Agency. The Non-State Agency will automatically continue to receive Services at Contract terms and conditions when the two year commitment period completes, and may add, delete or change Services without penalty or additional commitment periods (unless a specific Service requires a term per the Contract).
4. Subject to paragraph 5 below, Non-State Agency may terminate this ATO, for specific Service(s) or in total, prior to termination of the Contract by providing the Contractor with thirty (30) calendar days written notice of cancellation.
5. If Non-State Agency elects to terminate Service prior to completion of the two (2) year commitment period, a termination charge may apply. The termination charge may not exceed sixty-five percent (65%) of the Non-State Agency's average monthly bill for the disconnected Service(s) multiplied by the number of full months remaining in the two (2) year commitment period. If Service(s) are terminated after the two (2) year commitment period, no termination liability shall apply.

6. No termination charge will be assessed when Non-State Agency transfers Service(s) to a like Service offered under this Contract, or from one CALNET II Module to another, if the Contractor is the same for both Modules or is affiliated with the Contractor for the other Module.
7. By executing this ATO, Non-State Agency agrees to subscribe to and Contractor agrees to provide Service(s) in accordance with the terms and conditions of this ATO and the Contract. Within seven (7) business days after execution of this ATO by Non-State Agency and Contractor, Contractor shall deliver this ATO to DTS/STND for review and approval.
8. The DTS/STND will provide Contract management and oversight, and upon request by the Non-State Agency or Contractor, will advocate to resolve Contract service issues. The ATO and any resulting STD. 20 is a Contract between the Non-State Agency and the Contractor. The State will not represent the Non-State Agency in resolution of litigated disputes between the parties.
9. Non-State Agency, upon execution of this ATO, certifies that Non-State Agency understands that Contractor and the State may, from time to time and without Non-State Agency's consent, amend the terms and conditions of the Contract thereby affecting the terms of service Non-State Agency receives from Contractor.
10. Non-State Agency, upon execution of this ATO, certifies that Non-State Agency has reviewed the terms and conditions, including the rates and charges, of the Contract.
11. Non-State Agency, upon execution of this ATO, certifies the Non-State Agency understands that billing invoices for Service(s) subscribed to under the Contract are subject to review and/or audit by the State pursuant to provisions of the Contract.
12. All Service(s) ordered under this ATO will be submitted using the STD. 20, signed by the Non-State Agency's authorized signatory. Any additions or deletions to Service(s) shall likewise be accomplished by submission of a STD. 20, noting changes.
13. Non-State Agency may, by placing Service orders issued by its duly authorized representative with Contractor, order any of the Service(s) listed in the Contract. Contractor shall bill Non-State Agency, and Non-State Agency shall pay Contractor according to the terms and conditions and rate tables set forth in the Contract for such Service(s).
14. If the Service(s) ordered under a STD. 20 are installed, and after the first fiscal year funds are not appropriated to enable the Non-State Agency to continue paying for services, or universal service discounts are not received, the Non-State Agency may terminate impacted Service(s) without penalty.
15. Whenever any notice or demand is to be given under this Contract to Contractor or Non-State Agency, the notice shall be in writing and addressed to the following:

Non-State Agency:

Contractor:

Address:

Address:

Attn: _____

Attn: _____

Notices delivered by overnight courier service shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this ATO to be executed on the date shown below by their respective duly authorized representatives

Contractor:

Non-State Agency:

By:

By:

Title:

Title:

Date Signed:

Date Signed:

Approved By:
Department of Technology Services,
Statewide Telecommunications and Network Division

By: _____

Title: _____

Date Signed: _____



CALNET II Authorization to Order (ATO)

MSA 3 - Contract ID 5-06-58-22

Customer: _____

Exhibit A-2, Attachment 1

Services Selected	Voice Over IP (VOIP) Services	Customer Initials
	Hosted Standalone IP Telephony Business Line Service	
	IP Phone Hardware CPE	
	Hosted Standalone Standalone IP Telephony Voicemail Service	
	IP Audio Conferencing Services	
Services Selected	Converged Services - VOIP	Customer Initials
	Converged Services, IP Telephony Business Line Services	
	IP Phone Hardware CPE	
	Converged Services, IP Telephony Voicemail Services	
	IP Audio Conferencing Services	
Services Selected	Converged Services - IP Transport	Customer Initials
	IP and Network IP Transport Services	
	Internet Dedicated Access (IDA) Transport Services	
	IP Flexible T1 Services	
Services Selected	Converged Services - Required Premise Equipment	Customer Initials
	Converged Services, Customer Premise Equipment (CPE)	
Services Selected	IP Contact Center Services	Customer Initials
	Converged IP Network Based Automatic Call Distribution (ACD) Services	
	IP Network Based ACD Agent Package	
	IP Network Based ACD Supervisor Package	
	IP Network Based ACD System Administrator's Software Package	
	IP Network Based Interactive Voice Response (IVR) Service	
	IP Network Based Specialized Call Routing (SCR) Service	
	IP Network Based Computer Telephone Integrated (CTI) Service	
	Contact Center Consulting Services	
Services Selected	Other IP Services	Customer Initials
	IP Network Based Managed IP Video Conference Service	
	Unified Messaging	
Services Selected	Wiring and Support Services	Customer Initials
	Low Voltage Simple Wiring Services, Services Entrance, and Extended Termination	
	Station Wiring	
	Inside Wiring Services	
	Services Related Hourly Support	

Attachment II



11080 White Rock Road
Suite 200
Rancho Cordova, CA 95670

September 8, 2010

Robert Greenless, CIO
Chief Information Office Bureau
County of Los Angeles
Department of Mental Health
695 So. Vermont Avenue, 7th Floor
Los Angeles, California 90005

Dear Mr. Greenless,

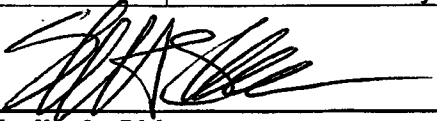
Verizon Business has waived the exclusivity clause of two years that is mentioned in the Authorization to Order document regarding the CALNET II MSA-3 with Verizon for the County of Los Angeles Department of Mental Health ACCESS Call Center Transformation Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian May", written over the printed name.

Brian May
CALNET2 PMO/ Regional Sales Manager VZB
(916) 779-1271 office
(916) 203-1099 cell
(916) 779-1350 fax
Brian.k.may@verizonbusiness.com

**SOLE SOURCE CHECKLIST
VERIZON BUSINESS AGREEMENT**

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
(✓)	Other reason. Please explain: Verizon services available under CALNET II MSA 3 are the result of a competitive bid process conducted by the State for services consistent with what is needed for ACCESS Call Center Transformation Project (ACCTP). The CALNET II solution is recommended as the most comprehensive solution, it eliminates on-site installation, has combined agreements for both local and long distance, reduces up-front costs, is highly rated for reliability, avoids multiple vendors, and is most cost effective.
 Sheila A. Shima Deputy Chief Executive Officer, CEO	<div data-bbox="966 1501 1177 1606" data-label="Text">10/19/20</div> Date

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.

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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

July 28, 2010

TO: Richard Sanchez
Chief Information Officer

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **REQUEST FOR WAIVER FROM A PORTION OF COUNTY
TELECOMMUNICATIONS**

This is to request a waiver from you to allow the Department of Mental Health (DMH) to depart from a portion of the County standards for telecommunications. DMH must replace its very much obsolete and failing telephone and call center systems at its ACCESS Call Center (ACCESS). It is DMH's strong preference, based upon the recommendation of a highly qualified consultant, to execute an "Authorization to Order Under State Contract" (ATO) with the State of California's, California Integrated Information Network (CALNET II) Master Service Agreement 3 (MSA 3) with Verizon Business (Verizon), to replace the telephone and call center systems for the DMH ACCESS.

BACKGROUND

ACCESS is a gateway to mental health services in the County. It provides a 24/7 toll free number for mental health emergency assistance and for obtaining information about available mental health services and resources. In the past, the Board has expressed concerns about dropped calls at ACCESS. The continuing deterioration of the current system has exacerbated that problem; making what was an important project an urgent project.

DMH used Mental Health Services Act funds to engage a consultant with expertise in human services call center processes and technology to analyze ACCESS needs and make recommendations to transform ACCESS into a responsive and reliable call center that meets the needs of DMH and the residents of the County of Los Angeles. The independent consultant conducted a comparative analysis of five options for replacing the existing systems. As we are replacing a legacy PBX telephone system, the consultant's recommendation was to implement a Voice-over-Internet-Protocol (VoIP) telephone system, which is consistent with the County standard.

Richard Sanchez

July 28, 2010

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This waiver request is specific to the VoIP and call center systems recommended by the consultant. The County standard specifies Cisco Systems (Cisco) VoIP and call center solutions provided through the County's Internal Services Department, Information Technology Services (ISD-ITS). After a very careful evaluation process, including considerable engagement with ISD-ITS, the consultant recommended that, given the exceptional criticality of the services provided by ACCESS, DMH procure a single-vendor combined telephone and call center solution offered by Verizon and available under CALNET II. DMH agrees with the consultant's criticality assessment and recommendation for the following reasons:

1. The combined Verizon/Genesys call center solution is widely considered the most comprehensive call center solution by industry experts and is in the Leader Quadrant of the most recent Gartner Call Center Infrastructure Magic Quadrant. While the Cisco solution has a similar listed feature set, Verizon's features are easier to use. Moving call control (and calls) between the various devices such as messaging servers and Interactive Voice Response is less complex, which in turn makes the reporting less complex. This ease of use supports the needs of ACCESS by allowing staff to facilitate call handling and reporting quickly and with little or no outside assistance. This ability to rapidly adapt to changing circumstances could possibly save a life.
2. Of the options examined by the consultant, only CALNET II Verizon option eliminates the need to purchase a VoIP telephone system that is installed and maintained at the customer site. Since the future of ACCESS at its current location is still in question, having a telephone system that is independent of location has advantages for ACCESS. The fully hosted Verizon solution, which includes the phone and call center systems as well as the carrier services, provides a unique single vendor solution, all located at Verizon where it is monitored and supported 24/7.
3. When the dial tone and phone and call center systems are all in one place, multiple vendor coordination is not necessary. Verizon provides both local dial tone and long distance service for a flat monthly charge, which includes toll free traffic. Whereas, under AT&T, local dial tone and long distance services are separate agreements. Troubleshooting ISD-ITS/Cisco solution can require both AT&T and the Cisco vendor to test issues together to identify the source of a technical problem.
4. The ISD-ITS/Cisco solution requires DMH to purchase hardware, installation services and other required services. The one-time up-front cost to implement the ISD-ITS/Cisco solution is estimated at \$610,000. The up-front costs of the Verizon

hosted solution are estimated at \$165,000. In a difficult budget year, this is a difference that makes a difference.

5. The Verizon hosted telephone and call center solution provides very high reliability and excellent business continuity/disaster recovery capabilities. Verizon has multiple data centers located across the United States. Their quantity and distance separation mitigates the impact of regional disasters. These centers house many customers and are carefully monitored by trained personnel at all times. Failover from one center to another is essentially unnoticeable with hosted Verizon services. Cisco uses a re-registration process that can take from 90 seconds to five minutes to restore phones. Even though failover transfer between data centers takes only seconds, the re-registration processes one phone at a time. With Verizon, the phones typically experience no more than a five second interruption of service due to dual registration with Session Initiation Protocol, which is extremely important in a high risk call center like ACCESS.
6. Under Verizon's single vendor offering, ACCESS will only need to interact with Verizon for the telephone and call center solutions. This eliminates the possibility of finger pointing common in multi-vendor solutions. With the ISD-ITS/Cisco solution, ISD-ITS, Cisco (or the Cisco re-seller), and AT&T might all be involved in problem resolution. All of the support requests go through ISD-ITS, which is facing the same staffing challenges as all County departments in these difficult economic times. With Verizon, it is one-call-and-done to initiate support activity. With ISD-ITS, the first call initiates another call and places ACCESS at least once removed from direct access to needed support. Given the criticality of ACCESS services, direct access to one source of support is seen as essential to timely problem resolution.
7. The CALNET II contract offers the most cost-effective, fixed-price solution currently available to DMH. ISD-ITS/Cisco solution pricing is based on their costs plus a markup to cover their overhead; it is more difficult to predict costs under this model. In addition, the solution requires a larger up-front capital investment, as mentioned earlier.
8. The single-vendor Verizon solution, per Verizon, can be implemented in about four months. The solutions offered by ISD-ITS or a combination of ISD-ITS and AT&T, per estimates by ISD-ITS, will take approximately 12 months to implement. Since the current system is failing; that too is a difference that makes a difference.

Verizon claims they could, if necessary, do an accelerated go-live in 30 days since all of the equipment and services are in place except the network connection. While the more thoughtful four-month implementation is the preferred approach, it is nice to

have the accelerated implementation option available should the existing system fail completely. The current Nortel system is obsolete and failing frequently. It is also costly to repair. Because the Nortel system is a multi-vendor environment, it has many potential failure points and it is often difficult for the technicians to isolate the source of trouble. This contributes to the frequency and duration of downtime and is part of the reason DMH wishes to avoid a multi-vendor solution for replacing the Nortel system.

9. Through the CALNET II Verizon option, DMH will realize a five-year savings of approximately \$365,000 over the ISD-ITS/Cisco brokered solution for equipment, services and personnel.

We have reviewed the consultant's recommendations with Tony Beliz, Ph.D., Deputy Director for Emergency Outreach Bureau. Dr. Beliz and his management team are directly responsible for ACCESS and have a very strong preference for the single-vendor, hosted solution offered by Verizon. Cost, time to implementation, functionality, and having a single point of contact for technical problems related to telephones and the call center system were the drivers for their preference.

Verizon has provided its fully-hosted call center solution to government agencies throughout the State for over two years. It is a proven solution. Under the terms of CALNET II, Verizon is required to take full responsibility for all aspects of the telephone and call center systems. Verizon's multiple data backup centers across the country and the hosted solution will be considerably more reliable than our environment today. When lives can be at stake, this is enormously important to DMH.

TERM

The term of the ATO is two years from the effective date of the ATO provided that such commitment does not extend beyond the term of the CALNET II MSA 3, including any extension periods. Upon the expiration of the two-year commitment period, County may cancel services with a 30 calendar day written advance notice should ISD-ITS provide a fully-hosted solution that would meet the business requirements of ACCESS. The current CALNET II agreement is slated to expire on January 31, 2012. Upon execution of the ATO agreement, Verizon can order the selected products and services from the CALNET II MSA 3.

Richard Sanchez
July 28, 2010
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WAIVER

If the waiver is granted, DMH will:

- Send a notice of our intentions to enter into an agreement with Verizon through CALNET II to the Board of Supervisors
- Negotiate an agreement with Verizon
- Submit the Verizon agreement to the Board for approval

If you are willing to grant the requested waiver and permit DMH to pursue the Verizon solution via CALNET II, please sign below and return to Robert Greenless, Ph.D., DMH Chief Information Officer, at rgreenless@dmh.lacounty.gov.

If you have any questions or need additional information, you or your staff may contact Robert Greenless at (213) 251-6481.

MJS:MM:RK:RG

c: Henry Balta, CIO
Director, Internal Services Department

NOTED AND APPROVED:

 8-570
Richard Sanchez Date
Chief Information Officer